

Senate Amendment 3081

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1 1 Amend Senate File 128 as follows:
1 2 #1. Page 1, by inserting before line 1 the
1 3 following:
1 4 <DIVISION I
1 5 CIGARETTE AND TOBACCO PRODUCTS PROVISIONS>
1 6 #2. Page 3, by inserting after line 1 the
1 7 following:
1 8 <There is appropriated from the health care trust
1 9 fund, annually, to the department of revenue, the
1 10 amount specified in section 422.11T, subsection 5, for
1 11 the applicable fiscal year, for deposit in the general
1 12 fund of the state to offset the reduction in tax
1 13 revenues due to the allowance of small business health
1 14 care tax credits.>
1 15 #3. Page 4, line 10, by inserting after the word
1 16 <This> the following: <division of this>.
1 17 #4. Page 4, by inserting after line 11 the
1 18 following:
1 19 <DIVISION II
1 20 HEALTH CARE == SMALL BUSINESS TAX CREDIT
1 21 Sec. _____. NEW SECTION. 422.11T SMALL BUSINESS
1 22 HEALTH CARE TAX CREDIT.
1 23 1. a. The taxes imposed under this division, less
1 24 the amounts of nonrefundable credits allowed under
1 25 this division, shall be reduced by a small business
1 26 health care tax credit, to the extent available, for
1 27 the cost to a small business of providing health care
1 28 benefits or contributions to employees of the
1 29 business. The amount of the credit for each employee
1 30 equals the first one thousand dollars of the cost of
1 31 providing health care benefits to the employee or the
1 32 first one thousand dollars of the contribution made on
1 33 behalf of the employee to a health savings account of
1 34 that employee.
1 35 b. The total amount of all credits for all
1 36 employees under paragraph "a" shall not exceed
1 37 twenty-five thousand dollars.
1 38 c. For purposes of this section:
1 39 (1) "Health savings account" means a health
1 40 savings account as defined in section 223(d) of the
1 41 Internal Revenue Code.
1 42 (2) "Small business" means a for-profit enterprise
1 43 that employed during the tax year less than fifty
1 44 full-time equivalent employees.
1 45 d. Any credit in excess of the tax liability shall
1 46 be refunded. In lieu of claiming a refund, a taxpayer
1 47 may elect to have the overpayment shown on the
1 48 taxpayer's final, completed return credited to the tax
1 49 liability for the following taxable year.
1 50 2. An individual may claim a small business health
2 1 care tax credit allowed a partnership, limited
2 2 liability company, S corporation, estate, or trust
2 3 electing to have the income taxed directly to the
2 4 individual. The amount claimed by the individual
2 5 shall be based upon the pro rata share of the
2 6 individual's earnings of the partnership, limited
2 7 liability company, S corporation, estate, or trust.
2 8 3. A taxpayer claiming a credit under this section
2 9 shall not be precluded, in computing taxable income,
2 10 from deducting the amount of costs for providing
2 11 health care benefits allowed under any section of the
2 12 Internal Revenue Code.
2 13 4. To receive the small business health care tax
2 14 credit, a small business must submit an application to
2 15 the department. If the taxpayer meets the criteria
2 16 for eligibility, the department shall issue to the
2 17 taxpayer a certification of entitlement for the small
2 18 business health care tax credit. However, the
2 19 combined amount of tax credits that may be approved
2 20 for a fiscal year under this section, section 422.33,
2 21 subsection 24, section 422.60, subsection 13, section
2 22 432.12J, and section 533.24, subsection 11, shall not
2 23 exceed the amount specified in subsection 5. Tax
2 24 credit certificates shall be issued on an earliest

2 25 filed application basis. The certification must
2 26 contain the taxpayer's name, address, tax
2 27 identification number, the amount of the credit, and
2 28 tax year for which the certificate applies. The
2 29 taxpayer shall file the tax credit certificate with
2 30 the taxpayer's tax return in order to claim the tax
2 31 credit. The department shall adopt rules to
2 32 administer this section and shall provide by rule for
2 33 the method to be used to determine for which fiscal
2 34 year the tax credits are approved.

2 35 5. For purposes of subsection 4, the combined
2 36 amount of small business health care tax credits that
2 37 may be approved in a fiscal year is as follows:

2 38 a. For the fiscal year beginning July 1, 2007, the
2 39 combined amount equals one hundred million dollars.

2 40 b. For each fiscal year beginning on or after July
2 41 1, 2008, the combined amount equals one hundred
2 42 twenty-seven million dollars.

2 43 Sec. _____. Section 422.33, Code 2007, is amended by
2 44 adding the following new subsection:

2 45 NEW SUBSECTION. 24. The taxes imposed under this
2 46 division shall be reduced by a small business health
2 47 care tax credit, to the extent available, provided for
2 48 in section 422.11T. The tax credit shall be subject
2 49 to the same conditions, requirements, and dollar
2 50 limitations as provided for in section 422.11T.

3 1 Sec. _____. Section 422.60, Code 2007, is amended by
3 2 adding the following new subsection:

3 3 NEW SUBSECTION. 13. The taxes imposed under this
3 4 division shall be reduced by a small business health
3 5 care tax credit, to the extent available, provided for
3 6 in section 422.11T. The tax credit shall be subject
3 7 to the same conditions, requirements, and dollar
3 8 limitations as provided for in section 422.11T.

3 9 Sec. _____. NEW SECTION. 432.12J SMALL BUSINESS
3 10 HEALTH CARE TAX CREDIT.

3 11 The taxes imposed under this chapter shall be
3 12 reduced by a small business health care tax credit, to
3 13 the extent available, provided for in section 422.11T.
3 14 The tax credit shall be subject to the same
3 15 conditions, requirements, and dollar limitations as
3 16 provided for in section 422.11T.

3 17 Sec. _____. Section 533.24, Code 2007, is amended by
3 18 adding the following new subsection:

3 19 NEW SUBSECTION. 11. The moneys and credits tax
3 20 imposed under this section shall be reduced by a small
3 21 business health care tax credit, to the extent
3 22 available, provided for in section 422.11T. The tax
3 23 credit shall be subject to the same conditions,
3 24 requirements, and dollar limitations as provided for
3 25 in section 422.11T.

3 26 Sec. _____. EFFECTIVE AND RETROACTIVE APPLICABILITY
3 27 DATE. This division of this Act applies retroactively
3 28 to January 1, 2007, for tax years beginning on or
3 29 after that date.>

3 30 #5. Title page, by striking lines 3 and 4 and
3 31 inserting the following: <products, creating a health
3 32 care trust fund, providing a small business health
3 33 care tax credit, making appropriations, and including
3 34 effective and retroactive and other applicability
3 35 provisions.>

3 36 #6. By renumbering as necessary.

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3 41 SF 128.211 82
3 42 pf/es/7628